



UNITED STATES SENATOR • SOUTH DAKOTA

TIM JOHNSON

N E W S R E L E A S E



FOR IMMEDIATE RELEASE

Wednesday, December 3, 2003

Contact: Julianne Fisher, 202-224-1638

Noah Pinegar, 202-224-4281

Delays at Grain Elevators Prompt Johnson to Push for a Review of Rail Transport

Washington, D.C.-- U.S. Senator Tim Johnson (D-SD) urged Secretary of Agriculture Ann Veneman and Chairman of the Surface Transportation Board (STB) Richard Nober to investigate delays with the nation's railroad system that are causing huge backlogs at grain elevators and increased costs for farmers.

"Elevators are seeing a backlog and turning farmers away because they haven't seen a train pass through in more than a month. This comes at the same time that railroads are announcing service cutbacks and rate hikes. At the end of the day, food prices jump and the costs are passed onto consumers. We need to do everything we can to increase rail efficiency and service while holding the railroads accountable for their actions," Johnson said.

After contacting South Dakota grain shippers, Johnson had been informed that a number of grain elevators are seeing delays as long as 40 days.

"The current situation is unacceptable to grain shippers and agricultural producers who are too often captive to the decisions of large railroads. Unless steps are taken to break the logjam, United States farmers will face increased transportation costs and reduced marketing opportunities which can be crippling to a farm economy trying to recover from lingering drought conditions," Johnson said in a letter to Veneman and Nober.

When farmers faced similar rail delays in the late 1990's, Johnson hosted a summit with then-Secretary of Agriculture Dan Glickman and then-STB Chairman Linda Morgan to examine what government, railroads, grain shippers, and farmers could do together to avoid future bottlenecks in grain transportation.

Glickman credited Johnson's 1998 meeting for helping the USDA and STB to form and sign a memorandum of understanding that same year that created a joint grain logistics task force. The task force established a system to provide grain shippers and railroads with early warnings for potential service and congestion-related problems. Since that time, the USDA has started issuing a weekly grain transportation report.

"We need to understand why the grain logistics task force and the weekly reports have not been able to avert this current logjam. I am asking the USDA and STB to look into the matter," Johnson concluded.

##

For more information on Senator Tim Johnson visit his website at <http://johnson.senate.gov>.

To contact Senator Johnson's communications office via e-mail, write his Communications Director at Julianne_Fisher@Johnson.Senate.gov or his Deputy Communications Director at Noah_Pinegar@Johnson.Senate.gov